



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

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July 21, 1998

**Certified Mail/Return Receipt Requested**

Charles H. Roistacher, Esq.  
Brett G. Kappel, Esq.  
Powell, Goldstein, Frazer & Murphy, LLP  
1001 Pennsylvania Avenue, N.W., Sixth Floor  
Washington, D.C. 20004

RE: MURs 4322 and 4650  
Enid and D. Forrest Greene  
Enid '94 and Enid Greene, as treasurer  
Enid '96 and Enid Greene, as treasurer

Dear Messrs Roistacher and Kappel:

Based on a complaint filed with the Federal Election Commission on 8 March, 1996, and information supplied by your clients, Enid and D. Forrest Greene, Enid '94 and Enid Greene, as treasurer, and Enid '96 and Enid Greene, as treasurer, the Commission, on 17 June, 1997, found that there was reason to believe Enid Greene violated 2 U.S.C. § 441f and that D. Forrest Greene violated 2 U.S.C. § 441a(a)(1)(A) and (a)(3), and 2 U.S.C. § 441f. The Commission also found that there was reason to believe Enid '94 and Enid Greene, as treasurer, violated 2 U.S.C. § 434(b), 2 U.S.C. § 441a(f), 2 U.S.C. § 441b(a), 2 U.S.C. § 441f, and 11 C.F.R. § 110.4(c)(2) and that Enid '96 and Enid Greene, as treasurer, violated 2 U.S.C. § 434(b), 2 U.S.C. § 441a(f), 2 U.S.C. § 441f, and 11 C.F.R. § 110.4(c)(2) and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that violations have occurred.

The Commission may or may not approve the General Counsel's recommendation. Submitted for your review are two briefs stating the position of the General Counsel on the legal and factual issues of the case. Within 15 days of your receipt of this notice, you may file with the Secretary of the Commission a brief or briefs (ten copies if possible) stating your position on the issues and replying to the briefs of the General Counsel. (Three copies of such brief(s) should also be forwarded to the Office of the General Counsel, if possible.) The General

2025 RELEASE UNDER E.O. 14176

Charles H. Roistacher, Esq.  
Brett G. Kappel, Esq.  
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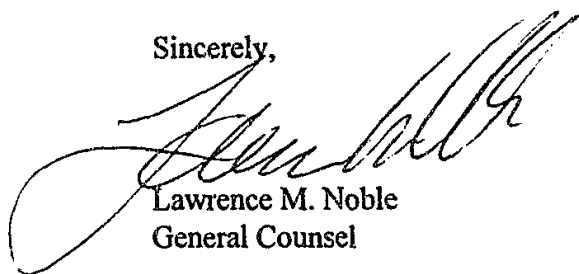
Counsel's briefs and any brief(s) that you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

If you are unable to file a responsive brief or briefs within 15 days, you may submit a written request for an extension of time. All requests for extensions of time must be submitted in writing five days prior to the due date, and good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

A finding of probable cause to believe requires that the Office of the General Counsel attempt for a period of not less than 30, but not more than 90 days, to settle this matter through a conciliation agreement.

Should you have any questions, please contact Kamau Philbert, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lawrence M. Noble", is written over the typed name and title.

Lawrence M. Noble  
General Counsel

Enclosure  
Briefs (2)

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**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of	)	
	)	MURs 4322 and 4650
Enid Greene	)	
Dunford Forrest Greene	)	

**GENERAL COUNSEL'S BRIEF**

**I. BACKGROUND**

Enid Greene Waldholtz (hereinafter "Enid Greene") won the 1994 election for Congress in Utah's Second Congressional District. According to reports filed with the Federal Election Commission during that election, Enid Greene spent almost \$2 million of her personal funds on her campaign. Hers reportedly was the most expensive congressional campaign of that election cycle. Her former husband, Joseph P. Waldholtz, was the treasurer of her 1994 campaign committee, Enid '94, and her 1996 reelection committee, Enid '96. An investigation conducted by the Federal Bureau of Investigation and the U.S. Attorney's Office for the District of Columbia showed that the funds injected into Enid Greene's congressional campaign as personal funds in fact came from her millionaire father, Dunford Forrest Greene (hereinafter "D. Forrest Greene.")<sup>1</sup>

MUR 4322 was generated by an 8 March, 1996 complaint filed by Michael H. Chanin, Esq., counsel for Enid '94 and Enid '96 committees, alleging that Joseph Waldholtz was the one responsible for making and misreporting the contributions. Specifically, the complaint alleged that, unbeknownst to Enid Greene and D. Forrest Greene, Waldholtz knowingly and willfully

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<sup>1</sup> D. Forrest Greene is a millionaire stock broker who had a seat on the Pacific Stock Exchange in San Francisco, California. During the activity in question, D. Forrest Greene spent most of his time in San Francisco and commuted to Salt Lake on some weekends.

99-04-394-1636

made eighty excessive contributions totaling at least \$1.8 million to Enid '94 and Enid '96 with money fraudulently obtained from D. Forrest Greene.<sup>2</sup> The vast majority of the contributions either were made in the name of Enid Greene or were unreported disbursements for campaign expenses. MUR 4650 was generated from information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(1) and (2).

On 17 June, 1997, the Commission found reason to believe that Enid Greene violated 2 U.S.C. § 441f and that D. Forrest Greene violated 2 U.S.C. § 441a(a)(1)(A) and (a)(3), and 2 U.S.C. § 441f. On 27 June, in conjunction with the reason to believe notification, the Commission issued document and deposition subpoenas to Enid Greene and D. Forrest Greene. Their depositions were taken on 24 and 25 September, 1997.

After completing its investigation into these matters, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that Enid Greene violated 2 U.S.C. § 441f and that D. Forrest Greene violated 2 U.S.C. § 441a(a)(1)(A) and (a)(3), and 2 U.S.C. § 441f.

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<sup>2</sup> The Waldholtz controversy was heightened when on 11 November, 1995, Joseph P. Waldholtz fled Washington, D.C. during the FBI investigation. Shortly thereafter, Enid Greene removed Joseph Waldholtz as treasurer, assumed the position herself, and retained the national accounting firm of Coopers & Lybrand to conduct a forensic reconstruction of the campaign records of both committees. The complaint was based on the Coopers & Lybrand analysis. Prior to filing the complaint, on 31 January, 1996, Enid Greene, as treasurer of both of her committees, filed 1995 Year End Reports for Enid '94 and Enid '96 and notified the Commission's Reports Analysis Division of inaccuracies in the committees' reports. RAD was also advised of the Coopers & Lybrand effort and that the committees would be filing amendments to the reports.

## II. FACTUAL AND LEGAL ANALYSIS

### A. Overview

On 21 December, 1993, Enid Greene filed a Statement of Candidacy for the U.S. House of Representatives for the Second District of Utah, and designated Enid '94 as her principal campaign committee for the 8 November, 1994 election.<sup>3</sup> Waldholtz was designated as treasurer.<sup>4</sup> During Enid Greene's 1994 campaign, her committee, Enid '94, reported almost \$2 million in contributions to her campaign as her personal funds. The majority of the funds (over \$1.1 million) appeared in the months close to the election: nearly \$26,000 in July, \$64,500 in August, \$570,500 in September, \$250,000 in October and another \$269,000 in November. Enid Greene won the 1994 election with 46 percent of the vote. In January of 1995, Enid Greene was sworn in as a Member of Congress, and she and Joseph Waldholtz moved to Washington, D.C.

Shortly thereafter, Enid Greene began to develop her 1996 re-election campaign. On 9 February, 1995, she established a campaign checking account in the name of Enid '96 at First Security Bank in Salt Lake City, Utah, and on 31 July, 1995, Enid '96 was established as her principal campaign committee for the 1996 election with Waldholtz as treasurer. On 5 March, 1996, Enid Greene announced that she would not run for re-election.

Following the 1994 election, federal criminal investigators began an inquiry into Enid Greene's 1994 campaign based on questions raised in Utah about the source of the large sums of

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<sup>3</sup> Enid Greene narrowly lost to Democrat Karen Shepherd in a campaign for the same congressional seat in 1992. She spent only \$313,000 on that campaign and ended up more than \$170,000 in debt.

<sup>4</sup> Enid Greene met Joseph Waldholtz in the Summer of 1991. In June of 1992, Joseph Waldholtz moved to Utah to help run Enid Greene's unsuccessful 1992 campaign and portrayed himself as a millionaire. They were married in August of 1993 in Salt Lake City, Utah. Waldholtz told Enid Greene that he was a beneficiary of an over \$300 million Waldholtz Family Trust and that he had given her \$5 million as a wedding gift. In her 1994 public official disclosure form, Enid Greene showed assets of \$4.5 million.

money Enid Greene was reported to have spent on her campaign. On 11 November, 1995, Waldholtz, as treasurer of Enid Greene's campaign committees, had promised to clear up matters regarding the questionable contributions to Enid '94 by bringing in executors of his family's trust from Pittsburgh, Pennsylvania to show that the funds were lawful. However, when he went to National Airport to pick up the purported executors, he disappeared and a warrant was subsequently issued for his arrest. Enid Greene filed for divorce three days later, on 14 November, 1995. Joseph Waldholtz surrendered to federal authorities six days later on 17 November, 1995. On 12 December, 1995, Enid Greene held a five-hour news conference in Salt Lake City, Utah, declaring herself the unwitting victim of a con man husband who embezzled money, defrauded banks and violated federal election laws.<sup>5</sup>

The U.S. Attorney's Office in Washington, D.C. initiated a formal investigation, and Joseph Waldholtz was indicted on 2 May, 1996 on 27 counts of bank fraud.<sup>6</sup> He pleaded guilty to bank, election and tax fraud in the U.S. District Court in Washington, D.C. on 5 June, 1996 and was sentenced to 37 months in prison on 7 November, 1996.<sup>7</sup> Enid Greene was granted a divorce from Joseph Waldholtz on 5 June, 1996. On 30 September, 1996, the U.S. Attorney's

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<sup>5</sup> Enid Greene is an attorney. She testified that as law student she took a class in election law in which she was exposed to campaign finance, among other topics, and that she served on the law review. She also was State and National Chairman of the Young Republicans, an affiliate group of the Republic National Committee. She graduated from law school in 1983. Since law school, Enid Greene has been employed as a litigation associate in a law firm, as deputy chief of staff to Utah Governor Norman H. Bangerter and as a corporate attorney.

<sup>6</sup> On 1 May, 1996, D. Forrest Greene filed a lawsuit against Joseph Waldholtz for misuse of the \$4,000,000 at issue. Joseph Waldholtz invoked the Fifth Amendment in response to D. Forrest Greene's complaint. Based on Joseph Waldholtz's response and his failure to respond to D. Forrest Greene's request for summary judgment, the court granted summary judgment in favor of D. Forrest Greene on 25 July, 1996, and ordered Waldholtz to repay the almost \$4,000,000 to D. Forrest Greene.

<sup>7</sup> The election fraud charge consisted of one count of making a false report to the FEC based on Waldholtz reporting the funds in as personal funds of Enid Greene. Waldholtz is currently serving his sentence at Allenwood Federal Prison Camp in Allenwood, Pennsylvania.

Office issued a two-paragraph public statement that they would not be filing any charges against Enid Greene or D. Forrest Greene.

## **B. Law**

Section 441a of the Act prohibits any person from making contributions to any candidate or an authorized political committee with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(a)(1)(A). This provision also prohibits any individual from making contributions aggregating more than \$25,000 in any calendar year. 2 U.S.C. § 441a(a)(3). Under section 441a(a)(3), any contribution made to a candidate in a year other than the calendar year in which the election is held, with respect to which such contribution is made, is considered to be made during the calendar year in which such election is held. The Act also provides that no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution. 2 U.S.C. § 441f.

The Commission's regulations at section 110.10 provide that candidates for Federal office may make unlimited expenditures from personal funds. Personal funds include assets jointly owned with the candidate's spouse. The portion of the joint asset that shall be considered

personal funds of the candidate shall be that portion which is the candidate's share by instrument(s) of conveyance or ownership. If no specific share is designated, the value of one-half of the property used shall be considered as personal funds of the candidate.

11 C.F.R. § 110.10.

### C. Facts

Based on the Coopers & Lybrand analysis, the complaint shows that between January 1994 and October 1995 D. Forrest Greene transferred almost \$4 million to Joseph Waldholtz and Enid Greene's joint checking accounts. At least \$1.8 million of that amount was put into Enid Greene's congressional campaigns.<sup>9</sup> The contributions appeared in the campaign in several ways. Twenty-eight contributions totaling at least \$984,000 were reported in Enid Greene's name. Eleven contributions totaling \$18,325 were made in cash and not reported to the Commission. Finally, forty-one contributions totaling at least \$819,218 were made by transferring funds directly from Enid Greene and Joseph Waldholtz's personal checking accounts into Enid '94 and Enid '96 campaign accounts. These contributions were not reported to the Commission. Enid Greene testified that she did not review her committee's 1994 disclosure reports because Joseph Waldholtz was the treasurer. Also, she had confidence in him based on his prior campaign finance experience and had complete trust in him as her husband. (Enid Greene Dep. at page 162). She also explained that when confronted with complaints about Waldholtz's preparation of the disclosure reports, she hired a reputable firm, Huckaby and

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<sup>9</sup> The vast majority of the contributions, \$1,752,688, were made to Enid '94. Of that amount, \$1,569,413 (consisting of 56 separate contributions) was made in 1994 and \$167,450 (consisting of seven separate contributions) was made to Enid '94 in 1995. A total of \$68,850 (consisting of 17 separate contributions) was made to Enid '96 in 1995.

Associates, to prepare her campaign reports. Id. at page 164. Information provided in the complaint, information submitted by respondents and deposition testimony show the following additional pertinent facts:

**1. D. Forrest Greene's Transfers to Joseph Waldholtz and Enid Greene**

Sometime in mid-January of 1994, shortly after Enid Greene established her 1994 campaign, she and Joseph Waldholtz visited her father, D. Forrest Greene, at his home in Salt Lake City, Utah and requested \$60,000 from him. Gerda Greene, Enid Greene's mother, was also present. According to both Enid Greene and D. Forrest Greene, Waldholtz requested the money in order to assist his mother who was mentally ill and was undergoing financial problems.<sup>10</sup> On 21 January, 1994, D. Forrest Greene provided the \$60,000 to Joseph Waldholtz by wire transfer to Waldholtz's account in Pennsylvania. About a week later, Waldholtz requested additional funds from D. Forrest Greene by telephone. On 1 February, 1994, D. Forrest Greene wrote a check for \$24,000. This check was made out to Joseph Waldholtz and Enid Greene and was deposited into one of their joint accounts. Thereafter, as shown in the chart below, D. Forrest Greene made an additional 22 transfers of funds to Joseph Waldholtz and Enid Greene. The funds were provided by wire transfers (17 of them) or by personal checks (5 of them). The majority of the funds (\$2.1 million of the \$4 million) was transferred between August and November of 1994, in the three months prior to the election. Over \$1.1 million

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<sup>10</sup> Enid Greene testified that prior to January of 1994, Waldholtz told her that his mother had mismanaged his and his mother's joint accounts and created enormous overdrafts. Joseph Waldholtz also told her that he could not use trust funds to resolve his mother's problems because *his parents were divorced, and the family trust prohibited anyone who had left the family through divorce from getting benefits from the trust.* Consequently, Waldholtz could not draw on any trust funds to deal with his mother's problems, and Enid Greene could not use her \$5 million wedding gift to help Waldholtz's mother. Therefore, Waldholtz proposed that they go to D. Forrest Greene for money. (Enid Greene Dep. at page 178-79).

appeared in Enid '94 disclosure reports as contributions by Enid Greene and another \$552,000, unreported, was used to pay campaign expenses during this period.

# FUND TRANSFERS FROM D. FORREST GREENE

Date of Check or Wire	Personal Check or Wire Transfer	Amount	Account Deposited to	Date of Deposit
1/21/94	WT	\$60,000.00		1/21/94
2/1/94	PC	\$24,000.00		2/4/94
4/29/94	PC	\$56,000.00		5/4/94
5/9/94	PC	\$60,000.00		5/11/94
5/16/94	PC	\$75,000.00		5/17/94
6/21/94	WT	\$80,000.00		6/21/94
7/7/94	WT	\$150,000.00		7/7/94
7/7/94	WT	\$10,000.00		7/7/94
8/8/94	WT	\$83,000.00		8/8/94
8/25/94	PC	\$55,000.00		8/25/94
9/2/94	WT	\$187,000.00		9/2/94
9/12/94	PC	\$150,000.00		9/14/94
9/19/94	WT	\$381,000.00		9/19/94
10/18/94	WT	\$336,000.00		10/18/94
10/21/94	WT	\$400,000.00		10/21/94
10/28/94	WT	\$350,000.00		10/28/94
11/8/94	WT	\$69,000.00		11/8/94
11/14/94	WT	\$200,000.00		11/14/94
1/9/95	WT	\$275,000.00		1/9/95
4/11/95	WT	\$408,000.00		4/11/95
7/18/95	WT	\$13,000.00		7/18/95
8/15/95	WT	\$250,000.00		8/15/95
8/15/95	WT	\$7426.00		8/15/95
10/12/95	WT	\$308,000.00		10/12/95
<b>TOTAL</b>		<b>\$3,987,426.00</b>		

\* Joint Accounts of Joseph P. Waldholtz and Enid Greene

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Copies of the canceled checks and the wire transfer documents show that the majority of the checks and wire transfers were made out to Joseph Waldholtz and Enid Greene jointly and were deposited into their joint checking accounts. A few of the wire transfers were made out to Joseph Waldholtz solely: the 21 January, 7 July, and 8 August, 1994, and the 11 April, 1995 wire transfers. A 21 June, 1994 wire transfer in the amount of \$80,000 was made out to Enid Greene solely. These wire transfers were all deposited into their joint accounts.

According to D. Forrest Greene's deposition testimony, he provided the funds to Joseph Waldholtz based on Waldholtz's representations that he needed the funds to help his sick mother. Periodically, Joseph Waldholtz telephoned D. Forrest Greene at D. Forrest Greene's San Francisco office and requested additional funds, and D. Forrest Greene transferred the money to Joseph Waldholtz and Enid Greene's joint bank accounts. The checks were mailed to Joseph Waldholtz. (D. Forrest Greene Dep. at page 174). D. Forrest Greene described the funds as loans to Waldholtz. He testified that initially he gave Joseph Waldholtz the funds because at the time he believed that Joseph Waldholtz was a "big political operative," the former executive director of the Bush-Quayle '92 presidential campaign in Pennsylvania, and because he understood that Joseph Waldholtz was "the beneficiary of the Waldholtz Family Trust and that [Waldholtz] was getting around \$25,000-plus ... monthly from that trust." *Id.* at pages 141-42. Therefore, he believed that the funds would be repaid. D. Forrest Greene also testified that Waldholtz never specified particular dates when he would repay the funds, and that he did not ask Waldholtz for repayment of the funds because Waldholtz kept on telling him that he was having problems with the trust - that it was tied up in litigation within the family. *Id.* at pages 196-201. Significantly,

although the transfers were supposed to be loans there was no promissory note or other documentation showing that the funds were loans.

D. Forrest Greene also testified that, prior to the loans to Joseph Waldholz, the most money he had ever loaned to any of his family members was about \$8,000, and that the single largest amount of money he loaned Enid Greene was about \$4,000. (D. Forrest Greene Dep. at pages 38, 40). He also testified that he had lent money to personal friends in need - he lent a couple hundred thousand dollars to one individual, a hundred thousand dollars to another, and a similar amount to a third individual. He emphasized that each one had collateral. Prior to making the loans, D. Forrest Greene had known one of the individuals for at least 10 years as a close personal friend, the other individual for at least three or four years as a church member, and the third individual for six or seven years as a business associate. The collateral included a personal note, a lien on real property, and a seat on the Pacific Stock Exchange, respectively.

In explaining why he did not request collateral of Joseph Waldholtz, D. Forrest Greene testified that the transaction was essentially a family transaction, since Waldholtz was his son-in-law and wanted the money, ostensibly to help his sick mother. Id. at page 158. Nonetheless, D. Forrest Greene also testified that he "didn't have what you would say warm feelings towards Waldholtz and that Waldholtz was a different type of person than he maybe would have hoped that Enid Greene would be interested in [sic]." Id. at pages 50, 66.

D. Forrest Greene testified that although Enid Greene's name appeared on the wire transfers and checks, she was not involved in the funds transfer, either requesting or receiving the funds or checks, except for the initial \$60,000 in January 1994 and the \$308,000 transfer in October 1995 when she was on the phone with Joseph Waldholtz when he requested the funds. When asked why Enid Greene's name was on the checks and wire transfers, if the funds were

solely for Joseph Waldholtz, D. Forrest Greene gave several explanations. Initially he testified that he did it because they were married; upon further questioning he then testified that he did not know why he did it the way he did. (D. Forrest Greene Dep. at page 185). He also could not explain why the 21 June, 1994 wire transfer was made out to Enid Greene solely and why the 7 July, 1994 wire transfer of \$150,000 was made out to Waldholtz solely. *Id.* at pages 186-88. In addition, D. Forrest Greene provided several handwritten notes regarding the transfers. Those undated documents refer to the transfers as being provided to both Enid Greene and Joseph Waldholtz. One such document, listing all twenty-four wire transfers and checks, was captioned "Loans to Joseph & Enid Waldholtz - separately & jointly." Another document, that applied interested rates, was entitled "Int. Calculations Enid & Joe." Yet another document, listing the wire transfers and checks, showed the heading "Loans Interest not included Joe & Enid's Obligation - '94.'" <sup>11</sup> (Emphasis in original).

Enid Greene could not explain how Joseph Waldholtz came to ask her father for the large amount of money that he ultimately received. She claimed that she did not discuss her father's finances with Waldholtz and she did not know how Waldholtz knew of her father's wealth. (Enid Greene Dep. at pages 180-81). She testified that she knew about the first request for money (\$60,000), since she accompanied Waldholtz to visit her father, the second (\$24,000) and another request in the spring or summer of 1994 of less than \$60,000, but that she did not know of the full extent of D. Forrest Greene's transfers to Waldholtz. *Id.* at page 187. Nevertheless, she admitted to endorsing two checks, one dated 9 May, 1994 for \$60,000 and the other dated

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<sup>11</sup> These documents appear in Exhibits 9 and 11 of D. Forrest Greene's deposition transcript.

12 September, 1994 for \$150,000. Id. at pages 200, 206-07. However, she also testified that she did not personally deposit the checks into the accounts.

Enid Greene asserts that she was unaware that the funds her father had loaned Joseph Waldholtz were being funneled into her campaigns. In her deposition, she testified that she believed that the funds which were being reported in her name came from the \$5 million Joseph Waldholtz had given her to spend as she wished, which included spending the money on her campaign. (Enid Greene Dep. at pages 154-55). Enid Greene also testified that one lesson she learned from her loss in the 1992 election was that "[i]t takes lots of money to run." She also recognized that the amount of money she spent in 1992 was not sufficient for her to win the 1994 election. In this regard, she discussed with Waldholtz the fact that he was the beneficiary of a multimillion dollar trust, over \$300 million, from which he had monthly draws of \$25,000, and that he had given her \$5 million as a wedding gift out of the trust. She testified that Waldholtz had told her that the \$5 million was a liquid asset, so she could draw on it anytime. Id. at page 176. She further testified that at the time she understood that she had the necessary resources to fund her 1994 campaign. She also testified that she did not ask Waldholtz about how she could access the funds and she did not see the funds actually placed in her account. Id. at page 156. She also did not receive any confirmation or documentation showing that she had access to the \$5 million. Id. at page 152. Nevertheless, she directed Waldholtz to transfer funds into her 1994 campaign as necessary. Enid Greene Dep. at pages 165, 170, 174, 176.

In support of her assertion that she was unaware of the extent of funds that were transferred to her and Waldholtz's bank accounts, Enid Greene further explained that prior to their marriage both she and Waldholtz had their separate bank accounts. After their marriage in August 1993, Waldholtz suggested that they add each other's names to their respective accounts,

which they did. Id. at page 79. At the start of her 1994 congressional campaign, in January 1994, Waldholtz assumed the responsibilities for paying their household bills. Although neither one of them were working, she was devoting all of her time to the campaign. Id. at pages 80-81. Enid Greene also testified that prior to January 1994 she reviewed her monthly checking account statements. However, she testified that after January 1994, she was hardly writing any checks at all, and she stopped reviewing her checking account statements. (Enid Greene Dep. at page 82). She also testified that since she was not earning an income, if there was a particular item she was writing a check for she would have asked Waldholtz to transfer funds from his account into her account. However, she testified that she did not recall whether Waldholtz made any such transfers. Id. at pages 84-85.

## 2. Asset Swap

As shown in the chart on page 8, *supra*, the bulk of the fund transfers occurred in the three-month period leading up to the November 1994 general election. Available information shows that much of the funds were used for television and media advertising for Enid Greene's campaign during this period. Between August and October of 1994, Enid '94 spent a total of \$873,145 on political advertising with Wilson Grand Communications, a media consulting firm.<sup>12</sup>

Enid Greene testified that the fund transfers from D. Forrest Greene beginning in late August were based on an "Asset Swap" arrangement between herself and D. Forrest Greene. She explained that prior to August of 1994, she was unaware that funds from D. Forrest Greene were going into her campaign. However, that changed in late August of 1994, when Waldholtz

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<sup>12</sup> Notably, only \$45,043 was spent in August of 1994, while \$356,869 and \$471,232 were spent in September and October of 1994, respectively.

informed her that her \$5 million was inaccessible. She testified that in late August of 1994 Waldholtz informed her that a cousin had filed a lawsuit regarding Waldholtz's administration of the family trust, and that, as a result, all of the trust funds were frozen, including the \$5 million that Joe had given her. However, Waldholtz would continue to get his \$25,000 monthly allowance. She stated:

At that point what were we going to do for money on the campaign because here we're headed in the last couple of months of the campaign and I knew I was going to have to spend part of that gift to finance the last push of the campaign. Joe said to me we've got to go to your dad. I said he can't just loan us money. He has to have something of value. That I knew from the '92 campaign. There had be some exchange of value, a real asset, something where it wasn't just a promise to pay. There had to be something where he could [sic] assured that you were exchanging value for value. So then Joe said what if I, Enid, assign him an interest in the trust. I had this \$5 million less whatever we had spent already. I said Joe, I don't think that's going to be good enough because the trust is now in litigation which means there is a cloud now over anybody's entitlement to money from that trust. I don't think that is going to be viewed as an unquestioned asset because it's in litigation and heaven only knows how it's all going to work out. So I said Joe I don't think that will work.

(Enid Greene Dep. at pages 192-93). (Emphasis added).

She claimed that Waldholtz then "looked me right in the eye and without missing a beat he said there is the property that my grandmother's relative left me in Pittsburgh." Id. at page 193. She questioned him about the property since that was the first time that she had heard about it. According to Enid Greene, Waldholtz then explained that there was a piece of commercial property worth \$2.2 million that a relative of his grandmother had left him, and that under Pennsylvania's community property laws she was entitled to half of it. Id. She further testified as follows:

He said what if we give your dad the real estate. I said no, we're not going to do the real estate. But I said what about an assignment of real estate proceeds. Joe told me that he had a buyer for the property at \$2.2 million.

There was someone who had already committed that they were going to pay \$2.2 million for the property. I said Joe, what if we do an assignment of real estate proceeds. I said I think that might work. I said but we need to check this through with the lawyers, meaning the trust lawyers on the real property side of it, and you have to check with the accountants, meaning Huckaby on the FEC side of it. I said you have to absolutely make sure that this thing is valid. He came back to me two days later. We just sweated it out. I sweated it out for two days thinking trust fund is frozen and I don't know if we're going to be able to get access to anything else. He came back to me and he was thrilled, just beaming, he said I checked it all out and everything works. We sign your dad the real estate proceeds and he used some terms of art. Joe is not lawyer. He used enough language to convince me that yes he had talked to the lawyer and the accountant and everything was working. Now mind you, I am in the middle of the campaign. I've left all this to Joe to figure out because he's used to dealing with the trustees and he's been dealing with Huckaby. He comes back to me and said yes, it will work. They said it will work.

(Enid Greene Dep. at pages 194-95). (Emphasis added).

Enid Greene further testified that:

I told Joe he was going to have to explain it to my dad since he was the one that talked to the attorneys and accountant and knew what the property was. Joe got on the phone. I was in another room crying because just the pressure of it all was getting to me. We had been through this mess with Barbara [Waldholtz's mother] and the trust fund was frozen and I was worn down. So finally after he explained it all to dad I got on the phone and I said dad, it's all been checked out. It's all legal. I would never ever ask you to do anything that would expose you to any trouble. And I remember that because it's all come so wrong.

Id. at page 196. (Emphasis added).

She also testified that she did not execute any documents to make the assignment to D. Forrest Greene because Joseph Waldholtz told her she did not have to since the property was still in probate and her interest in the property came as a result of being married to Waldholtz. Therefore, the assignment could be done by the family trust lawyers in Pittsburgh. Id. at page 209. She also stated that Waldholtz told her that there was a written record of the assignment of

the real estate proceeds to D. Forrest Greene in Pennsylvania. However, Enid Greene testified that she received no documentation of the Asset Swap. Id. at page 208.

With respect to the Asset Swap, D. Forrest Greene testified that he was not aware of his funds being used to finance Enid Greene's campaign. (D. Forrest Greene Dep. at 227). He acknowledged that he was advised of the Asset Swap, but he testified that he considered it only as an additional asset from which Waldholtz could repay the loans. Id. at pages 228-29. Enid Greene testified that, at the time of the Asset Swap in late August of 1994, she told D. Forrest Greene that funds he provided would be used for her campaign. (Enid Greene Dep. at page 197). Enid Greene also testified that her mother, Gerda Greene, was aware of the assignment but did not express any concerns about the transaction nor requested any documentation. Id. at page 211.

### 3. 1992 House Resale

In addition to providing massive funding used for Enid Greene's 1994 campaign, D. Forrest Greene also provided funds for her 1992 campaign. Both Enid Greene and D. Forrest Greene acknowledged that, through the purchase of Enid Greene's house, he provided her with funds which she used to fund her 1992 congressional campaign. In her deposition, Enid Greene testified that she understood from her 1992 campaign that she could not just accept funds from her father to support her campaign. "There had to be some exchange of value." (Enid Greene Dep. at page 192). Enid Greene claimed that she was aware of this requirement because she and her father undertook a similar arrangement during her 1992 campaign. According to both Enid Greene and D. Forrest Greene's testimony, in June of 1986, D. Forrest Greene gave Enid Greene the family home, a single family house. In 1992, he bought back the house from Enid Greene for the sum of \$300,000. The money was paid in installments, beginning in about April and

extending through December of 1992.<sup>13</sup> On 1 February, 1993, D. Forrest Greene also paid off a \$70,000 second mortgage that Enid Greene had on the property. The deed of sale transferring the property to D. Forrest Greene and his wife, Gerda Greene was executed on 24 May, 1994, about a year and a half after D. Forrest Greene paid for the property. There was no documentation of the transaction, except for a document entitled Letter of Intent, which Enid Greene signed on 15 February, 1993 showing that she was paid the \$300,000 in full.<sup>14</sup> Both Enid Greene and Joseph Waldholtz, who had moved to Salt Lake City in June of 1992, lived in the house at the time. D. Forrest Greene and Gerda Greene took control of the house in December of 1992. Waldholtz moved out in May 1993 after he and Enid Greene closed on another house they purchased together as their marital home. Enid Greene continued to live in the house until after her wedding in August of 1993. (Enid Greene Dep. at page 129). When asked why he bought back the house, D. Forrest Greene testified "[b]ecause there was need for I think paying the vendors and so on." (D. Forrest Greene Dep. at page 77). Enid Greene explained that sometime in late 1991 she agreed to resell the house to her parents so that she could use part of her equity in the house to finance her 1992 campaign. (Enid Greene Dep. at page 103). She testified that she told her parents of her intentions. Id. at pages 104-05.

Enid Greene testified that she contributed well in excess of \$100,000 to her 1992 campaign. Id. at page 112. The contributions were made by personal check to the campaign account. The moneys came from the installment payments she received from D. Forrest Greene. Id. at page 114. Documents provided by D. Forrest Greene and a review of the 1992 FEC reports

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<sup>13</sup> According to Enid Greene, it was agreed that sale of the house would not be consummated until after the election because it was uncertain whether she would be moving to Washington, D.C. D. Forrest Greene gave her a final lump sum balance after the election. Id. at pages 116 - 17.

showed the following installment payments from D. Forrest Greene and corresponding contributions to Enid Greene's 1992 campaign:

Installment Payment from D. Forrest Greene		Enid Greene's 1992 Contributions	
DATE	AMOUNT	DATE	AMOUNT
4/6/92	\$6,600.00	4/14/92	\$400.00
4/14/92	\$15,000.00	4/20/92	\$14,000.00
7/10/92	\$15,000.00	7/10/92	\$10,000.00
8/21/92	\$7,000.00	8/23/92	\$1,200.00
8/31/92	\$35,000.00	8/28/92	\$400.00
11/16/92	\$30,000.00	9/1/92	\$22,000.00
12/1/92	\$80,000.00	9/4/92	\$5,000.00
12/26/92	\$68,000.00	9/9/92	\$1,000.00
Unspecified date	\$25,700.00	11/12/92	\$25,000.00
		12/1/92	\$75,000.00
<b>Total</b>	<b>\$282,300</b>		<b>\$154,000</b>

Enid Greene further testified that she instructed her 1992 campaign staff how to report her contributions. (Enid Greene Dep. at pages 136-37). However, as with her 1994 campaign, she did not review the disclosure reports. Id. According to her testimony, Waldholtz did not have any official position with the 1992 campaign, until after the election in November of 1992, when he took the responsibility of figuring out what debts were owed and became the treasurer. Id. at page 111. He filed the 1992 Year End Report but not the prior reports.

<sup>14</sup> Enid Greene testified that this document was executed at her mother's request for documentation of their payments for the property in case something happened to Enid Greene.

## D. Discussion

The available information shows that about \$1.8 million from D. Forrest Greene was used to finance Enid Greene's 1994 and 1996 congressional campaigns. The bulk of the contributions at issue were made in the three months prior to the November, 1994 election. Almost \$1 million (\$984,000) of the money was reported to the Commission as contributions from Enid Greene - \$460,500 in September, \$250,000 in October, and \$210,000 in November of 1994. At least \$819,218 was used to pay for campaign related expenses, of which \$552,000 was spent in October and November of 1994, and \$18,325 was contributed in cash. The available information indicates that in the 1994 election, Enid Greene benefited significantly from the large amount of funds from D. Forrest Greene. In fact, the funds from D. Forrest Greene amounted to over ninety-two percent (92%) of the total contributions to Enid Greene's 1994 campaign.<sup>15</sup>

### 1. Enid Greene

The available facts do not support Enid Greene's assertions that she was not responsible for using her father's funds to finance her campaign. Her claims of ignorance of the activity in question are unconvincing. Enid Greene's explanations present many telling discrepancies. At a minimum, the available facts indicate that Enid Greene was conveniently inattentive to Waldholtz's actions regarding her 1994 and 1996 campaigns. Actually, the facts show that Enid Greene's successful 1994 campaign was the primary beneficiary of the fund transfers and that she was actively involved in the activity in question.

First, Enid Greene engaged in a similar transaction to finance her 1992 campaign by reselling to her father the family home that was given, not sold, to her. Enid Greene testified

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<sup>15</sup> Enid '94 FEC reports show a total of \$137,829 in contributions from individuals, PACs, and party committees during the three month period leading up to the election.

that one reason for reselling the family home to her father was to obtain funds for her congressional campaign. She lost that election and the evidence shows that Enid Greene recognized that she needed much more money to fund a successful campaign, more than she used in her 1992 campaign. Second, Enid Greene testified that she had always intended to use the \$5 million gift from Waldholtz to finance her campaign, and at the beginning of the campaign she directed Joseph Waldholtz to transfer funds into her campaign from his \$5 million gift as necessary to maintain the campaign. Enid Greene did this even though she had not received any documentation or any tangible evidence that the \$5 million existed or any information as to how she was to access the funds. Third, the fund transfers from D. Forrest Greene began in January of 1994, at the beginning of her 1994 campaign. Fourth, documents show that most of the fund transfers were made out to both Enid Greene and Joseph Waldholtz and were deposited into their joint bank accounts. Enid Greene accompanied Waldholtz for the initial request for funds from her father in January of 1994 and acknowledged that she was aware of the second request in February of 1994. Enid Greene also admitted to endorsing a 9 May, 1994 check from D. Forrest Greene made out to her and Joseph Waldholtz. Fifth, although she claimed that she believed that she had \$5 million available to use as she pleased, the funds seem to have been set aside for use solely on Enid Greene's campaign. The available information indicates that Enid Greene did not attempt to use the \$5 million for any other purpose.

Finally, the most significant aspect of the activity occurred under Enid Greene's direction and active participation at a critical time in the campaign. The bulk of the fund transfers (\$2.1 million) occurred after the Asset Swap in August of 1994, in the three months preceding the November election. A corresponding increase in funds was injected into the campaign during that period. The available information shows that over \$1.1 million appeared in Enid 94

disclosure reports as contributions from Enid Greene and another unreported \$552,000 was used to pay campaign expenses during that period. Enid Greene testified that she clearly was aware that the funds from her father were being used for her campaign. She was in dire need of campaign funds and was looking for a way to obtain money to fund the "last push" of the campaign. She stated "I sweated it out for two days thinking trust fund is frozen and I don't know if we're going to be able to get access to anything else." In fact, Enid Greene was actively involved in arranging the Asset Swap with her father. She was the one who suggested the assignment of real estate proceeds to her father in exchange for immediate funds for her campaign. Enid Greene testified that she advised Waldholtz that D. Forrest Greene "can't just loan us money. He has to have something of value." However, although Enid Greene is an experienced attorney and Waldholtz is not, she relied on Waldholtz to see that the assignment of real estate proceeds was legal. Incredibly, she relied on his word without any supporting documentation. In fact, neither Enid Greene nor D. Forrest Greene received any documentation of the assignment or even evidence that the property existed.

In summary, considering Enid Greene's educational, professional and political background; her similar financing arrangement in the 1992 election that she lost; the timing of the transfers and the fact that they were made out to Enid Greene and Waldholtz jointly and deposited into their joint bank account; that she directed Waldholtz to make the necessary transfers from their joint account to finance her campaign; that the bulk of the fund transfers in question occurred at a critical time in the campaign, after the Asset Swap, an arrangement which she sanctioned; Enid Greene's lack of vigilance regarding Waldholtz's actions; and the fact that she benefited substantially from the activity, this Office concludes that Enid Greene knowingly

permitted her name to be used to effect the contributions funded by D. Forrest Greene.<sup>16</sup>

Therefore, this Office recommends that the Commission find probable cause to believe that Enid Greene violated 2 U.S.C. § 441f.

## 2. D. Forrest Greene

Section 441a(a)(1)(A) of the Act prohibits an individual from making contributions to a candidate or his or her political committee totaling more than \$1,000. In addition, section 441a(a)(3) of the Act prohibits an individual from making political contributions totaling more than \$25,000 in a calendar year. In this matter, D. Forrest Greene did not make contributions directly to Enid Greene's campaign. However, at least \$1.8 million of his money was used to finance Enid Greene's 1994 and 1996 congressional campaigns.

The pertinent information shows that D. Forrest Greene transferred almost \$4 million to the joint accounts of Enid Greene, his daughter, and her then-husband, Joseph Waldholtz. In turn, Joseph Waldholtz, who was treasurer of Enid Greene's 1994 and 1996 congressional campaigns, used \$1.8 million to finance the campaigns. D. Forrest Greene testified that the funds were loans to Joseph Waldholtz, who periodically requested funds to help his sick mother, and that he was unaware that Waldholtz was using the funds to finance Enid Greene's campaigns. However, Enid Greene testified that after the Asset Swap in late August of 1994, D. Forrest Greene was advised that the funds transferred to Enid Greene and Waldholtz's joint accounts were being used to finance her campaigns.

As in the above analysis, several factors militate against accepting D. Forrest Greene's assertions. First, it is highly questionable that D. Forrest Greene would loan his son-in-law

<sup>16</sup> This Office makes no recommendations regarding the 1992 real estate transaction in light of the 5 year statute of limitations. See FEC v. Williams, 104 F.3d 237 (9th Cir. 1996); FEC v. National Right to Work Committee, 916 F.

millions of dollars without some understanding that it would benefit Enid Greene, especially since he testified that he did not particularly care for Waldholtz. Second, although D. Forrest Greene asserted that the funds were loans to Waldholtz, all of the available documents show that they were provided to both Enid Greene and Waldholtz. In addition, D. Forrest Greene acknowledged that at no time during the almost two year period did he ask Waldholtz for repayment of any of the loans. Furthermore, there was no collateral or documentation, such as a promissory note, showing that the funds were loans to Waldholtz. The transaction was in stark contrast to D. Forrest Greene's stated conduct in prior instances when he made loans to other individuals. Even when he was advised of the Asset Swap, D. Forrest Greene did not obtain any documentation regarding the assignment or even of the existence of the property in question. Finally, the majority of the funds were transferred from D. Forrest Greene and were injected into the campaign after the Asset Swap, at a critical period in the campaign and at a time when the campaign was in dire need of funds. Although D. Forrest Greene did not recall it, Enid Greene testified that at this point D. Forrest Greene knew that his funds were being used to finance Enid Greene's campaign. Therefore, considering the above factors, as well as D. Forrest Greene's financial background and that D. Forrest Greene undertook a similar arrangement with Enid Greene in her 1992 campaign, this Office concludes that D. Forrest Greene made contributions in the name of another and excessive contributions. Accordingly, this Office recommends that the Commission find probable cause to believe that D. Forrest Greene violated 2 U.S.C.

§ 441a(a)(1)(A) and (a)(3), and 2 U.S.C. § 441f, by making contributions in excess of the \$1,000

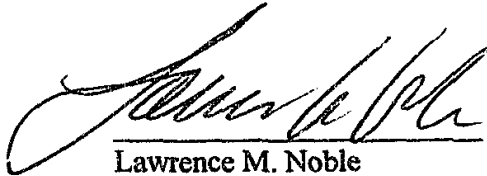
limit per election, by making contributions in excess of the overall annual \$25,000 limit, and by making contributions in the name of another.

**III. GENERAL COUNSEL'S RECOMMENDATIONS**

1. Find probable cause to believe that Enid Greene violated 2 U.S.C. § 441f.
2. Find probable cause to believe that D. Forrest Greene violated 2 U.S.C. § 441a(a)(1)(A) and (a)(3), and 2 U.S.C. § 441f.

Date

7/20/98



Lawrence M. Noble  
General Counsel

99-04-794-163-10-66

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<sup>1</sup> D. Forrest Greene is a millionaire stock broker who had a seat on the Pacific Stock Exchange in San Francisco, California. During the activity in question, D. Forrest Greene spent most of his time in San Francisco and commuted to Salt Lake on some weekends.

analysis by the national accounting firm of Coopers & Lybrand, which Enid Greene retained to conduct a forensic reconstruction of the campaign records of both committees. Prior to filing the complaint, on 31 January, 1996, Enid Greene, as treasurer of both of her committees, filed 1995 Year End Reports for Enid '94 and Enid '96 and notified the Commission's Reports Analysis Division ("RAD") of inaccuracies in the committees' reports. RAD was also advised of the Coopers & Lybrand effort and that the committees would be filing amendments to the reports. Amendments were filed on 8 March, 1996 and showed that much of the funds at issue were transfers from personal bank accounts which "...did not appear to have, within them, sufficient personal funds of Joseph or Enid Greene Waldholtz to fund these withdrawals."

Specifically, the complaint alleged that, unbeknownst to Enid Greene and D. Forrest Greene, Joseph Waldholtz knowingly and willfully made eighty excessive contributions totaling at least \$1.8 million dollars to Enid '94 and Enid '96 out of the \$4 million fraudulently obtained from D. Forrest Greene. The vast majority of the contributions either were made in the name of Enid Greene or were unreported disbursements for campaign expenses. MUR 4650 was generated from information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. See 2 U.S.C. § 437g(a)(1) and (2).

On 17 June, 1997, the Commission found reason to believe that Enid '94 and Enid Greene, as treasurer, and Enid '96 and Enid Greene, as treasurer, violated the following provisions of the Act: 2 U.S.C. § 434(b), by failing to report numerous contributions and for filing inaccurate reports; 2 U.S.C. § 441a(f), by knowingly accepting contributions in violation of the limitations imposed by section 441a; 2 U.S.C. § 441f, by accepting contributions in the name

of another; and 11 C.F.R. § 110.4(c)(2), by failing to return cash contributions in excess of \$100.

The Commission also found reason to believe that Enid '94 and Enid Greene, as treasurer, violated 2 U.S.C. § 441b(a), by accepting a \$1,000 corporate contribution from Keystone Productions, Inc.

After completing its investigation into these matters, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that Enid '94 and Enid Greene, as treasurer, violated 2 U.S.C. § 434(b), 2 U.S.C. § 441a(f), 2 U.S.C. § 441b(a), 2 U.S.C. § 441f, and 11 C.F.R. § 110.4(c)(2). The Office of the General Counsel is also prepared to recommend that the Commission find probable cause to believe reason to believe that Enid '96 and Enid Greene, as treasurer, violated 2 U.S.C. § 434(b), 2 U.S.C. § 441a(f), 2 U.S.C. § 441f, and 11 C.F.R. § 110.4(c)(2).

## II. FACTUAL AND LEGAL ANALYSIS

### A. Overview

On 21 December, 1993, Enid Greene filed a Statement of Candidacy for the U.S. House of Representatives for the Second District of Utah, and designated Enid '94 as her principal campaign committee for the 8 November, 1994 election.<sup>2</sup> Joseph Waldholtz was designated treasurer.<sup>3</sup> During Enid Greene's 1994 campaign, her committee, Enid '94, reported almost \$2 million in contributions to her campaign as her personal funds. The majority of the funds (over

<sup>2</sup> Enid Greene narrowly lost to Democrat Karen Shepherd in a campaign for the same congressional seat in 1992. She spent \$313,000 on that campaign and ended up more than \$170,000 in debt.

<sup>3</sup> Enid Greene met Joseph Waldholtz in the Summer of 1991. In June of 1992, Joseph Waldholtz moved to Utah to help run Enid Greene's unsuccessful 1992 campaign and portrayed himself as a millionaire. They were married in August of 1993 in Salt Lake City, Utah. Joseph Waldholtz told Enid Greene that he was a beneficiary of an over \$300 million Waldholtz Family Trust and that he had given her \$5 million as a wedding gift.

\$1.1 million) appeared in the months close to the election: nearly \$26,000 in July, \$64,500 in August, \$570,500 in September, \$250,000 in October and another \$269,000 in November. These funds enabled Enid Greene to buy substantial amounts of television time and send out personalized direct mailings targeting her competitors. Enid Greene won the 1994 election with 46 percent of the vote. In January of 1995, Enid Greene was sworn in as a Member of Congress, and she and Joseph Waldholtz moved to Washington, D.C.

Shortly thereafter, Enid Greene began to develop her 1996 re-election campaign. On 9 February, 1995, she established a campaign checking account in the name of Enid '96 at First Security Bank in Salt Lake City, Utah, and on 31 July, 1995, Enid '96 was established as her principal campaign committee for the 1996 election with Joseph Waldholtz as treasurer. On 5 March, 1996, Enid Greene announced that she would not run for re-election.

Following the 1994 election, federal criminal investigators began an inquiry into Enid Greene's 1994 campaign based on questions raised in Utah about the source of the large sums of money Enid Greene was reported to have spent on her campaign. On 11 November, 1995, Joseph Waldholtz, as treasurer of Enid Greene's campaign committees, had promised to clear up matters regarding the questionable contributions to Enid '94 committee by bringing in executors of his family's trust from Pittsburgh, Pennsylvania to show that the funds were lawful. However, when he went to National Airport to pick up the purported executors, he disappeared and a warrant was subsequently issued for his arrest. Shortly thereafter, Enid Greene removed Joseph Waldholtz as treasurer and assumed the position herself. Enid Greene also filed for divorce three days later, on 14 November, 1995. Joseph Waldholtz surrendered to federal authorities six days later on 17 November, 1995. On 12 December, 1995, Enid Greene held a five-hour news

conference in Salt Lake City, Utah, declaring herself the unwitting victim of a con man husband who embezzled money, defrauded banks and violated federal election laws.

The U.S. Attorney's Office in Washington, D.C. initiated a formal investigation, and Joseph Waldholtz was indicted on 2 May, 1996 on 27 counts of bank fraud.<sup>4</sup> He pleaded guilty to bank, election and tax fraud in the U.S. District Court in Washington, D.C. on 5 June, 1996 and was sentenced to 37 months in prison on 7 November, 1996. Enid Greene was granted a divorce from Joseph Waldholtz on 5 June, 1996.

### B. Law

The Federal Election Campaign Act of 1971, as amended ("the Act") requires a political committee to file periodic reports identifying each person who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions total more than \$200 within the calendar year, together with the date and amount of any such contribution. 2 U.S.C. § 434(b)(3)(A). The Act also requires a political committee to file periodic reports identifying the name and address of each person who has received any disbursement over \$200 within the calendar year, together with the date and amount of any such disbursement.

2 U.S.C. § 434(b)(6)(A).

Section 441a of the Act prohibits any person from making contributions to any candidate or an authorized political committee with respect to any election for Federal office which, in the aggregate, exceed \$1,000. 2 U.S.C. § 441a(a)(1)(A). This provision also prohibits any

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<sup>4</sup> On 1 May, 1996, D. Forrest Greene filed a lawsuit against Joseph Waldholtz for misuse of the \$4 million at issue. Joseph Waldholtz invoked the Fifth Amendment in response to D. Forrest Greene's complaint. Based on Joseph Waldholtz's response and his failure to respond to D. Forrest Greene's request for summary judgment, the court granted summary judgment in favor of D. Forrest Greene on 25 July, 1996, and Joseph Waldholtz was ordered to repay the almost \$4,000,000 to D. Forrest Greene.

individual from making contributions aggregating more than \$25,000 in any calendar year.

2 U.S.C. § 441a(a)(3). Section 441a also provides that no officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, or knowingly make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under this section. 2 U.S.C. § 441a(f).

Section 441b of the Act makes it unlawful for any corporation to make a contribution or expenditure in connection with any election to any political office, or for any candidate, political committee, or other person knowingly to accept or receive any contribution prohibited by this section, or any officer or any director of any corporation to consent to any contribution or expenditure by the corporation. 2 U.S.C. § 441b(a).

The Act also provides that no person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person. 2 U.S.C. § 441f. A political committee is a person under the Act. 2 U.S.C. § 431(11).

The Act further provides that no person shall make contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in the aggregate, exceed \$100, with respect to any campaign of such candidate for nomination for election, or for election, to Federal office. 2 U.S.C. § 441g. In addition, section 110.4(c)(2) of the Commission's regulations requires a candidate or committee to promptly return cash contributions in excess of \$100 to the contributor. 11 C.F.R. § 110.4(c)(2).

### C. Facts

Information available to the Commission shows that eighty contributions totaling at least \$1,821,543 to Enid '94 and Enid '96 committees were misreported or not reported to the Commission. Each of the eighty contributions was over \$1,000. The contributions were concealed in several ways. Twenty-eight contributions totaling at least \$984,000 were reported in Enid Greene's name. Eleven contributions totaling \$18,325 were made in cash and not reported to the Commission.<sup>5</sup> Forty-one contributions totaling at least \$819,218 were made by transferring funds directly between Enid Greene and Joseph Waldholtz's joint personal checking accounts and Enid '94 and Enid '96 campaign accounts. These contributions were not reported to the Commission.

The available information also shows that of the forty-one contributions made by transferring funds between personal checking accounts and campaign accounts, at least \$91,957 of those funds were commingled with Enid Greene and Joseph Waldholtz's joint personal funds or those of Joseph Waldholtz's relatives. Joseph Waldholtz commingled the funds in various ways. In a series of transactions, a total of \$63,374 was transferred directly from Enid '94 and Enid '96 campaign accounts into personal bank accounts. For example, on 4 April, 1994, Joseph Waldholtz authorized a wire transfer of \$4,200 from the Enid '94 account to his personal Merrill Lynch account in Pittsburgh. Similarly, on 31 March, 1994 and 25 May, 1995, respectively, Joseph Waldholtz authorized wire transfers of \$3,000 from Enid '94 account to his mother's account and \$2,000 from Enid '96 account to his grandmother's account. In addition, on four occasions, Joseph Waldholtz deposited 36 campaign contribution checks to Enid '94 totaling

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<sup>5</sup> Of this amount, \$15,825 was contributed to Enid '94 and \$2,500 was contributed to Enid '96.

\$2,883 into his personal checking account. On twelve occasions, he withdrew a total of \$6,200 in cash from Enid '94 and Enid '96 by using checks made out to "Cash." On seven occasions, he withdrew a total of \$5,500 from Enid '94 and Enid '96 accounts by making checks out to himself and then either cashing them or depositing them into his personal accounts. On three occasions, he also withdrew a total of \$8,000 out of the Enid '94 and Enid '96 accounts by writing checks payable to Enid Greene and then depositing the checks into one of their joint personal bank accounts. Those checks were deposited into the Congressional Federal Credit Union account without Enid Greene's endorsement. Finally, on two occasions, Joseph Waldholtz used \$6,000 from campaign accounts to pay personal VISA credit card debt by using a debit memo to transfer \$5,000 and a \$1,000 counter check.

The information further shows that on the 1994 April Quarterly Report, forty-three (43) individuals who either do not exist or did not contribute to Enid '94 were falsely identified as contributors. The inclusion of the "ghost contributors" caused that report to overstate the amount of contributions received by \$66,450. Two \$1,000 contributions to Enid '94 from two individuals and an additional eight contributions in excess of \$200 also were not reported. Joseph Waldholtz also reported on the 1995 July 31 Mid - Year Report for Enid '96 that he made a \$1,000 contribution on 1 May, 1995. However, no such contribution was made. In addition, a \$1,000 corporate contribution from Keystone Promotions, Inc. was accepted or received by Enid '94 as an individual contribution by F. Richard Call, the owner of Keystone.

Available information shows that the money used to finance Enid Greene's campaigns came from D. Forrest Greene. Information provided in the complaint and information gathered in the course of the investigation show the following additional pertinent facts:

# **1. D. Forrest Greene's Transfers to Joseph Waldholtz and Enid Greene**

Sometime in mid-January of 1994, shortly after Enid Greene established her 1994 campaign, she and Joseph Waldholtz visited her father, D. Forrest Greene, at his home in Salt Lake City, Utah and requested \$60,000 from him. Gerda Greene, Enid Greene's mother, was also present. Joseph Waldholtz requested the money in order to assist his mother who was mentally ill and was undergoing financial problems. On 21 January, 1994, D. Forrest Greene provided the \$60,000 to Joseph Waldholtz by wire transfer to Waldholtz's account in Pennsylvania. About a week later, Joseph Waldholtz requested additional funds from D. Forrest Greene by telephone. On 1 February, 1994, D. Forrest Greene wrote a check for \$24,000. This check was made out to Joseph Waldholtz and Enid Greene and was deposited into one of their joint accounts. Thereafter, Joseph Waldholtz or Enid Greene periodically telephoned D. Forrest Greene at D. Forrest Greene's San Francisco office and requested additional funds. D. Forrest Greene transferred the money to Joseph Waldholtz and Enid Greene's joint bank accounts. The funds were then used to finance Enid Greene's campaigns. As shown in the chart below, D. Forrest Greene made an additional 22 transfers of funds to Joseph Waldholtz and Enid Greene. The funds were provided by wire transfers (17 of them) or by personal checks (5 of them). Available information shows that the checks were mailed to Joseph Waldholtz. The majority of the funds (\$2.1 million of the \$4 million) was transferred between August and November of 1994, in the three months prior to the 1994 election. Over \$1.1 million appeared in Enid '94 disclosure reports as Enid Greene's personal funds and \$552,000, unreported, was used to pay campaign expenses during this period.<sup>6</sup>

<sup>6</sup> Available information shows that much of the \$1.8 million was used for television and media advertising for Enid Greene's 1994 campaign during this period. For example, between August and October of 1994, Enid '94 spent a

## FUND TRANSFERS FROM D. FORREST GREENE

Date of Check or Wire	Personal Check or Wire Transfer	Amount	Account Deposited to	Date of Deposit
1/21/94	WT	\$60,000.00		1/21/94
2/1/94	PC	\$24,000.00		2/4/94
4/29/94	PC	\$56,000.00		5/4/94
5/9/94	PC	\$60,000.00		5/11/94
5/16/94	PC	\$75,000.00		5/17/94
6/21/94	WT	\$80,000.00		6/21/94
7/7/94	WT	\$150,000.00		7/7/94
7/7/94	WT	\$10,000.00		7/7/94
8/8/94	WT	\$83,000.00		8/8/94
8/25/94	PC	\$55,000.00		8/25/94
9/2/94	WT	\$187,000.00		9/2/94
9/12/94	PC	\$150,000.00		9/14/94
9/19/94	WT	\$381,000.00		9/19/94
10/18/94	WT	\$336,000.00		10/18/94
10/21/94	WT	\$400,000.00		10/21/94
10/28/94	WT	\$350,000.00		10/28/94
11/8/94	WT	\$69,000.00		11/8/94
11/14/94	WT	\$200,000.00		11/14/94
1/9/95	WT	\$275,000.00		1/9/95
4/11/95	WT	\$408,000.00		4/11/95
7/18/95	WT	\$13,000.00		7/18/95
8/15/95	WT	\$250,000.00		8/15/95
8/15/95	WT	\$7,426.00		8/15/95
10/12/95	WT	\$308,000.00		10/12/95
<b>TOTAL</b>		<b>\$3,987,426.00</b>		

\* Joint Accounts of Joseph P. Waldholtz and Enid Greene

Copies of the canceled checks and the wire transfer documents show that the majority of the checks and wire transfers were made out to Joseph Waldholtz and Enid Greene jointly and were deposited into their joint checking accounts. A few of the wire transfers were made out to

total of \$873,145 on political advertising with Wilson Grand Communications, a national political media consulting firm. Notably, only \$45,043 was spent in August of 1994, while \$356,869 and \$471,232 were spent in September and October of 1994, respectively.

Joseph Waldholtz solely: the 21 January, 7 July, and 8 August, 1994, and the 11 April, 1995 wire transfers. A 21 June, 1994 wire transfer in the amount of \$80,000 was made out to Enid Greene solely. These wire transfers were all deposited into their joint accounts.

## 2. Asset Swap

Available information shows that sometime in late August or early September of 1994, when the campaign needed more money in the final months before the election, Joseph Waldholtz advised Enid Greene that all of the Waldholtz Family Trust funds were frozen, including the \$5 million that Joseph Waldholtz had given her, because of a lawsuit regarding the administration of the Trust. Joseph Waldholtz then informed Enid Greene that he owned real estate in Pittsburgh, and that Enid Greene was entitled to one-half. Purportedly, the property was worth \$2.2 million dollars and there was a ready buyer. Joseph Waldholtz and Enid Greene then proceeded to obtain funds from D. Forrest Greene with the understanding that Mr. Greene would be repaid from an assignment of the sale proceeds of Enid Greene's portion of the property (\$1.1 million). There was no record or documentation of the assignment. As it turned out, there was no real estate.

## D. Analysis

The available information shows that Enid '94 and Enid '96 accepted eighty excessive contributions totaling at least \$1,821,543 from D. Forrest Greene through Joseph Waldholtz, then treasurer of both committees. The vast majority of the contributions, \$1,752,688, (consisting of 63 separate contributions) were made to Enid '94; about \$68,850 (consisting of 17 separate contributions) was made to Enid '96. Each of the eighty contributions were over \$1,000. The contributions were concealed in several ways. Twenty-eight contributions totaling at least

\$984,000 were reported in the name of Enid Greene. Forty-one contributions totaling at least \$819,218 were made by transferring funds between personal checking accounts under Joseph Waldholtz's control and Enid '94 and Enid '96 campaign accounts and were not reported to the Commission. Eleven contributions totaling \$18,325 were made in cash and also were not reported to the Commission. In addition, the information shows that forty-three individuals who either do not exist or did not contribute to Enid '94 were falsely identified as contributors on the 1994 April Quarterly Report. Furthermore, two additional \$1,000 contributions to Enid '94 from two individuals and an additional eight contributions from individuals in excess of \$200 were not reported to the Commission. Finally, available information shows that Enid '94 accepted a \$1,000 corporate contribution from Keystone Promotions, Inc. as an individual contribution by F. Richard Call, the owner of Keystone.

Joseph Waldholtz engaged in the above malpractices as treasurer of Enid '94 and Enid '96. Since he was acting as agent of Enid '94 and Enid '96, the committees are responsible for his actions on their behalf. See MUR 2602, Rhodes to Congress Committee, General Counsel's Report dated 2 February, 1994. Enid Greene is the current treasurer of Enid '94 and Enid '96. Therefore, there is probable cause to believe that Enid '94 and Enid Greene, as treasurer, and Enid '96 and Enid Greene, as treasurer, violated the following provisions of the Act: 2 U.S.C. § 434(b), by failing to report numerous contributions and for filing inaccurate reports; 2 U.S.C. § 441a(f), by knowingly accepting contributions in violation of the limitations imposed by section 441a; 2 U.S.C. § 441f, by accepting contributions in the name of another; and 11 C.F.R. § 110.4(c)(2), by failing to return cash contributions in excess of \$100. In addition, there is

probable cause to believe that Enid '94 and Enid Greene, as treasurer, violated 2 U.S.C. § 441b(a), by accepting a \$1,000 corporate contribution from Keystone Productions, Inc.

**III. GENERAL COUNSEL'S RECOMMENDATIONS**

1. Find probable cause to believe that Enid '94 and Enid Greene, as treasurer, violated 2 U.S.C. § 434(b), 2 U.S.C. § 441a(f), 2 U.S.C. § 441b(a), 2 U.S.C. § 441f, and 11 C.F.R. § 110.4(c)(2).
2. Find probable cause to believe that Enid '96 and Enid Greene, as treasurer, violated 2 U.S.C. § 434(b), 2 U.S.C. § 441a(f), 2 U.S.C. § 441f, and 11 C.F.R. § 110.4(c)(2).

Date

7/20/98



Lawrence M. Noble  
General Counsel